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Chairman: Mr. Chowdhury ..... (Bangladesh)

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The meeting was called to order at 11.20 a.m.

Agenda item 91: Macroeconomic policy questions (*continued*)

(a) International trade and development (*continued*)

Draft resolutions on international trade and development (A/C.2/58/L.32 and L.80)

1. **The Chairman** introduced draft resolution A/C.2/58/L.80, which he was submitting on the basis of informal consultations held on draft resolution A/C.2/58/L.32.

2. **Mr. Elfarnawany** (Egypt) said that his delegation associated itself with the statements made in the previous meeting by the representatives of France and the Russian Federation on the importance of having draft resolutions available in all the official languages before taking action.

3. **Ms. Spirnak** (United States of America) said that, although her delegation had joined the consensus, it was concerned that draft resolution A/C.2/58/L.80 had attempted to recast the Doha Development Agenda, to which her Government was committed. The draft resolution in no way affected the mandate agreed upon by World Trade Organization (WTO) members at Doha. Only WTO members could make decisions about trade negotiations conducted within WTO. Furthermore the World Intellectual Property Organization was the proper forum to discuss issues of intellectual property associated with traditional knowledge and that the references in the resolution to traditional knowledge had no binding effect.

4. **Mr. Chave** (Switzerland), speaking as facilitator for draft resolution A/C.2/58/L.80, said that the words "as well as its sub-theme 'Assuring development gains from the international trading system and trade negotiations'", "strengthening" and "on trade and development" should be deleted in paragraph 30.

5. *Draft resolution A/C.2/58/L.80, as orally revised, was adopted.*

6. *Draft resolution A/C.2/58/L.32 was withdrawn.*

(d) International financial system and development (*continued*)

Draft resolutions on international financial system and development (A/C.2/58/L.17 and L.81)

7. **The Chairman** introduced draft resolution A/C.2/58/L.81, which he was submitting on the basis of informal consultations held on draft resolution A/C.2/58/L.17.

8. *Draft resolution A/C.2/58/L.81 was adopted.*

9. *Draft resolution A/C.2/58/L.17 was withdrawn.*

(e) External debt crisis and development (*continued*)

Draft resolutions on external debt crisis and development (A/C.2/58/L.18 and L.82)

10. **The Chairman** informed the Committee that draft resolution A/C.2/58/L.82 had no programme budget implications.

11. **Mr. Benmellouk** (Morocco), speaking on behalf of the Group of 77 and China, said that the words "submit a" should be inserted between "to" and "report" in paragraph 18 of draft resolution A/C.2/58/L.82 to reflect the agreement reached on the text in the informal meeting.

12. **Mr. Bernardini** (Italy) said that there was agreement to change the text of the draft resolution provided that it was in line with the wording of the previous year's resolution.

13. **Ms. Spirnak** (United States of America), speaking in explanation of position on the draft resolutions on international financial system and development and on external debt crisis and development, said that although her delegation had joined the consensus, it believed that many of the issues concerning trade, finance and development raised in resolutions A/C.2/58/L.81 and A/C.2/58/L.82 were best addressed in other forums such as WTO, the International Monetary Fund (IMF) and the World Bank. The Committee should not be delving into technical details such as IMF special drawing rights or debt workout mechanisms. Its time would instead be better spent at the next session on helping developing countries to tap domestic and international financial resources for development by encouraging them to seize existing and new market opportunities for export

earnings, increase savings for investment, enhance access to external finance, including debt and equity capital and remittances, bolster growth and productivity and use aid resources to leverage other financial resources.

14. **Mr. Benmellouk** (Morocco), speaking on behalf of the Group of 77 and China, said that they did not share the United States delegation's very narrow understanding of draft resolutions A/C.2/58/L.81 and A/C.2/58/L.82. Such an understanding contradicted the spirit of the Monterrey Consensus, which had forged a partnership between developing and developed countries. The Committee had a mandate to consider macroeconomic questions, including trade, debt and the international financial system. It should focus on the responsibilities and obligations not only of developing countries but also developed countries, which had a special responsibility to promote an international environment conducive to development. The difficulties that developing countries faced in overcoming poverty were due in particular to the asymmetries caused by the monetary, trade and finance policies of the developed countries themselves, especially those of the world's largest market economy. Developing countries would remain unable to finance their development and poverty eradication strategies as long as developed countries continued to close their markets to them. The United Nations had an important role to play in macroeconomic questions. To suggest otherwise was to jeopardize the outcomes of such conferences as Monterrey, Johannesburg and the Millennium Summit.

Agenda item 94: Environment and sustainable development (*continued*)

(c) Convention on Biological Diversity (*continued*)

Draft resolutions on Convention on Biological Diversity (A/C.2/58/L.11 and L.61)

15. **Ms. Zubčević** (Croatia), Vice-Chairman, introduced draft resolution A/C.2/58/L.61, which she was submitting on the basis of informal consultations held on draft resolution A/C.2/58/L.11.

16. *Draft resolution A/C.2/58/L.61 was adopted.*

17. *Draft resolution A/C.2/58/L.11 was withdrawn.*

(d) Further implementation of the Programme of Action for the Sustainable Development of Small Island Developing States (*continued*) (A/58/567 and A/58/567/Corr.1)

Draft resolutions on further implementation of the Programme of Action for the Sustainable Development of Small Island Developing States (A/C.2/58/L.30, L.50 and L.79)

18. **The Chairman** drew attention to document A/C.2/58/L.50 on the programme budget implications of draft resolution A/C.2/58/L.30.

19. **Ms. Zubčević** (Croatia), Vice-Chairman, introduced draft resolution A/C.2/58/L.79, which she was submitting on the basis of informal consultations held on draft resolution A/C.2/58/L.30.

20. **Ms. Spirnak** (United States of America), speaking in explanation of position on draft resolution A/C.2/58/L.79, said that her Government had joined the consensus, including on the rules of procedure concerning the participation of observers in the Small Island Developing States conference, and had agreed to an enhanced observer status for the European Commission in the conference. The draft resolution, however, did not mean that the Commission enjoyed the same rights of participation as States.

21. **Mr. Koonjul** (Mauritius), speaking on behalf of the Alliance of Small Island States (AOSIS), called for the highest possible level of representation at the 30 August to 3 September 2004 international meeting to review the implementation of the Barbados Programme of Action. It was regrettable that, for the sake of consensus, several critical issues, especially with respect to implementation of the resolution, were not included in the final text. To ensure that the draft resolution had no programme budget implications, AOSIS members had agreed to the use of voluntary contributions to finance the meeting. They were concerned, however, that the trust fund established for the purpose of assisting the small island developing States to participate in the meeting would be insufficient. The fund would also have to be used for least developed countries and non-governmental organizations that were important partners of AOSIS. The Committee should let the host country, Mauritius, know well in advance whether there would indeed be adequate funds for the meeting to take place. There was therefore an urgent need for the international

donor community to contribute generously and as early as possible to the voluntary trust fund.

22. The Alliance also believed that prior informal consultations, referred to in paragraph 6, would be crucial for making final preparations for the meeting, given that the 14-16 April 2004 preparatory meeting would be the first and only opportunity to meet with partners to negotiate the draft outcome documents of the international meeting. AOSIS attached the highest priority to the appeal made in paragraph 23 to strengthen the Small Island Developing States Unit and trusted that an additional permanent post would be created in the Unit to assist with the preparation for and implementation of the outcome of the meeting. Finally, AOSIS urged the Secretariat to maintain close contacts with representatives of the small island developing States to bring about a successful outcome of the international meeting.

Agenda item 101: Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) and of the twenty-fifth special session of the General Assembly (*continued*)

Draft resolutions on implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) (A/C.2/58/L.31 and L.64*)

23. **Ms. Zubčević** (Croatia), Vice-Chairman, introduced draft resolution A/C.2/58/L.64*, which she was submitting on the basis of informal consultations held on draft resolution A/C.2/58/L.31.

24. **Mr. Gupta** (Canada), speaking as facilitator for draft resolution A/C.2/58/L.64*, drew attention to some editorial changes in paragraph 2. A footnote that read "established by General Assembly resolution 46/182" should be inserted at the end of paragraph 8, and the reference to Mexico in paragraph 15 should be deleted, since the draft resolution was a consensus text.

25. *Draft resolution A/C.2/58/L.64*, as orally revised, was adopted.*

26. *Draft resolution A/C.2/58/L.31 was withdrawn.*

27. *The meeting was suspended at 12.01 p.m., and resumed at 12.18 p.m.*

Agenda item 104: Follow-up to the International Conference on Financing for Development (*continued*) (A/C.2/58/L.39 and L.83)

28. **Mr. Seth** (Secretary of the Committee), explaining the programme budget implications of draft resolution A/C.2/58/L.83, said with reference to paragraph 13 that the Secretary-General, in his proposed programme budget for the biennium 2004-2005, had proposed the redeployment of 15 posts — 10 Professional and 5 General Service — from within the Department of Economic and Social Affairs (DESA), as well as the establishment of five posts — three Professional and two General Service — and other non-post resources to undertake the programme of work as endorsed by the General Assembly in resolution 57/273 and subprogramme 10 on financing for development, as reported in the revisions to programme 7, which related to economic and social affairs of the medium-term plan for the period 2002-2005. It was anticipated that the General Assembly would respond favourably to those proposals, to facilitate implementation of the programme of work. Other non-staff resources were expected to be available from extrabudgetary resources. With respect to paragraph 16, he would consider and report to the General Assembly on the related requirements following decisions to be taken by the General Assembly at its fifty-ninth session on the modalities of the high-level dialogue to be held in 2005.

29. **The Chairman** invited the Committee to take action on draft resolution A/C.2/58/L.83.

30. *Draft resolution A/C.2/58/L.83 was adopted without a vote.*

Agenda item 12: Report of the Economic and Social Council (*continued*) (A/C.2/58/L.54/Rev.1)

Draft decision on the draft provisional programme of work for the Second Committee for 2004 (A/C.2/58/L.54/Rev.1)

31. **The Chairman** invited the Committee to take action on draft decision A/C.2/58/L.54/Rev.1.

32. *At the request of the representative of the United States of America, a recorded vote was taken on draft decision A/C.2/58/L.54/Rev.1.*

In favour:

Afghanistan, Algeria, Andorra, Angola, Antigua and Barbuda, Argentina, Australia, Austria, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belgium, Belize, Benin, Bolivia, Botswana, Brazil, Brunei Darussalam, Bulgaria, Burundi, Cambodia, Cameroon, Canada, Chile, China, Colombia, Congo, Costa Rica, Croatia, Cuba, Cyprus, Czech Republic, Denmark, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Estonia, Ethiopia, Fiji, Finland, France, Gabon, Germany, Greece, Guatemala, Guinea, Guyana, Haiti, Hungary, Iceland, India, Indonesia, Iran (Islamic Republic of), Ireland, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kuwait, Lao People's Democratic Republic, Latvia, Lebanon, Lesotho, Libyan Arab Jamahiriya, Liechtenstein, Lithuania, Luxembourg, Madagascar, Malaysia, Maldives, Mali, Malta, Mauritius, Mexico, Monaco, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Netherlands, New Zealand, Nicaragua, Niger, Norway, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, Romania, Russian Federation, Rwanda, Saint Kitts and Nevis, Saint Lucia, Samoa, San Marino, Senegal, Serbia and Montenegro, Sierra Leone, Singapore, Slovakia, Slovenia, South Africa, Spain, Sri Lanka, Sudan, Suriname, Sweden, Switzerland, Syrian Arab Republic, Tajikistan, Thailand, the former Yugoslav Republic of Macedonia, Timor-Leste, Togo, Trinidad and Tobago, Tunisia, Turkey, Tuvalu, Uganda, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, Uruguay, Venezuela, Viet Nam, Yemen, Zambia, Zimbabwe.

Against:

Israel, Marshall Islands, United States of America.

Abstaining:

Nauru.

33. *Draft decision A/C.2/58/L.54/Rev.1 was adopted by 146 votes to 3, with 1 abstention.*

34. **Ms. Spirnak** (United States of America), referring to the report of the Secretary-General on the strengthening of the United Nations (A/57/387), expressed regret that the Committee had not been able to eliminate low-priority items. The Committee had also failed to reduce the frequency with which such items were renegotiated and had been unable to agree that similar items should be handled together. Furthermore, in 1997, the Secretary-General had requested that Member States should establish a mechanism to help update the programme of work and to identify and dispense with mandates and activities that were no longer relevant. Unfortunately, the Committee had also failed in that respect.

35. As the Secretary-General had pointed out in his report, many smaller States now found it virtually impossible to play a meaningful role in even the most crucial activities of the General Assembly or the Economic and Social Council and there was thus a "palpable need to curtail the volume of official meetings and documents". Although the Committee had failed to make progress in aligning its work with the priorities and proven success strategies identified by the leaders of Member States, its mandate to do so remained in place. The basis for the Committee's work should be the priorities and goals of the Millennium Declaration, the Monterrey Consensus and the recommendations of the World Summit on Sustainable Development. General Assembly resolution 57/270 B emphasized the importance of simplifying and harmonizing requests for reports, and recognized the need to avoid requesting duplicative reports of the Secretary-General. It stressed the need to improve the working methods of the General Assembly and reiterated the need for greater coherence between the work of the General Assembly and the Second and Third Committees. It also stressed that consideration should be given to the handling of agenda items on a biennial or triennial basis. She hoped that Member States and the Bureau would fulfil the Committee's mandate and channel its energies into its top development priorities.

36. **Mr. Bernardini** (Italy), speaking on behalf of the European Union, the acceding countries Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia, and, in addition, Iceland, Liechtenstein, and Norway, said that the European Union's vote in favour of the Committee's programme of work should not be viewed as an expression of satisfaction with the programme. Referring to General Assembly resolution 57/270 B, he

said that the European Union had been reviewing its delivery of statements to the Committee and had for the first time produced position papers on thematic clusters. However, it had not met with the sort of broad-minded response it might have wished for. Efforts should be made to streamline the Committee's agenda by clustering items or handling them on a biennial basis. Its working methods should be reviewed and the volume of Secretariat reports reduced. The Committee's informal consultations suggested widespread support for those proposals and it was regrettable that so little progress had been made. The European Union would not accept the continued marginalization of the issues covered by the Committee. It had voted in favour of the decision because it wished to promote continued discussion of the programme of work. It preferred to take the view that the failure to achieve consensus on the decision was not a sign that the Committee had departed from the basic stance of working together to forge common views, but rather an incentive to work harder at modernizing its working methods.

37. **Mr. Isakov** (Russian Federation) said that his delegation had voted in favour of the draft decision, on which compromise had ultimately been achieved on a range of important issues. Some progress had thus been made towards implementing the requirements of General Assembly resolution 57/270 B and strengthening the Committee's role as the principal forum for discussing world economic development. It was, however, regrettable that the draft decision had not been adopted without a vote, as was traditionally the case within the Committee, even on more contentious issues. The vote should therefore not be regarded as creating a precedent.

38. **Ms. Grindlay** (Australia) said that her delegation had voted in favour of the draft decision despite its disappointment that the draft programme of work for 2004 would entail duplication in reporting on important macroeconomic issues. Her delegation strongly supported the Bureau's efforts to ensure a more practical and coherent organization of the Committee's work.

39. **Mr. Lorenzo** (Mexico) said that the adoption of the draft decision was only the first step in the process of revitalizing the Committee's work. Much would need to be done over the coming months to introduce further improvements. His delegation had nonetheless voted in favour of the draft decision in a spirit of compromise and reconciliation. Lastly, he pointed out a discrepancy between the English and Spanish versions of paragraph 1 (b) of the draft decision.

40. **Mr. Gupta** (Canada) said that the Committee should not vote on important matters that lay at the core of how it did business. Consensus had been the rule and should remain so. Moreover, the draft programme of work for 2004 was disappointing in that it failed to reflect the link between financing for development and macroeconomic policy questions.

41. **Mr. Benmellouk** (Morocco), speaking on behalf of the Group of 77 and China, expressed regret that the request for a vote on the part of one delegation had created a serious precedent. The Group had done its utmost to be open and flexible so that the draft decision could be adopted unanimously, with particular emphasis on clustering in order to achieve a better focus for the Committee's work, but its efforts had been vitiated by the rigid position adopted by some delegations. As for the question of supporting the Secretary-General, the best form of respect was to implement the decisions contained in General Assembly resolution 57/300, which contained a number of proposals for rationalization. Lastly, there must be no downgrading in the Committee's consideration of macroeconomic issues: dialogue in the framework of General Assembly resolution 57/270 B was crucial.

42. **Mr. Shin** Boo-nam (Republic of Korea) said that his delegation had expected more from the draft programme of work for 2004. However, the draft could be viewed as a small step in the right direction that could have important implications for United Nations reform. His delegation had therefore supported the draft decision.

43. **Mr. Aho-Glele** (Benin), speaking on behalf of the least developed countries, welcomed the Committee's progress towards the further streamlining and rationalization of its work. There should, however, be no question of downgrading the importance of macroeconomic policy questions. Nor should the failure to achieve unanimity be allowed to jeopardize the quest for unanimity in the future.

44. **Mr. Doig** (Peru) said that, in paragraph 5 (d) of the draft programme of work for 2004, the word "funds" should be represented in the Spanish text by the word "*activos*", in line with the language of the United Nations Convention against Corruption.

Completion of the Committee's work

45. **The Chairman** said that experience led him to believe that the Committee would eventually become the backbone of the United Nations system, with a leading role in forging global cooperation. It had therefore been necessary to prepare for that task: the Committee could not afford to embark on ideological debates, in which the participants were unable to change their preconceived ideas in the face of new evidence. There was no single paradigm for the resolution of the Committee's problems. On the other hand, the intensity of negotiations had not adversely affected the spirit of cooperation. The Committee had done well to reach out to the global business community and civil society, but it should go further and interact with failed or failing States.

46. After an exchange of courtesies, in which **Mr. Benmellouk** (Morocco), on behalf of the Group of 77 and China, **Mr. Bernardini** (Italy), on behalf of the European Union and the acceding States, **Ms. Spirnak** (United States of America) and **Mr. Gupta** (Canada) took part, the Chairman declared that the Committee had completed its work for the fifty-eighth session.

The meeting rose at 1.15 p.m.